

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1440 – SB 1645

March 8, 2014

SUMMARY OF ORIGINAL BILL: Amends multiple sections of state law regarding workers' compensation, including but not limited to: defining of "specialty practice group"; removing the ability of a member or limited liability company from electing to be exempt from workers' compensation law; clarifying that certain penalties are to be paid to the Division of Workers' Compensation (DWC) rather than to the Department of Labor and Workforce Development (DLWD); clarifying that all disputes on medical bills between providers and insurers shall be heard by the Medical Payment Committee; specifying that when a treating physician or chiropractor refers an injured employee, the employee shall be entitled to a second opinion on the issue of surgery and diagnosis, but from a panel of two physicians practicing in the same specialty as the physician recommending surgery; allowing a mental injury that arose primarily out of a compensable physical injury to be included in the schedule of compensation for temporary total disability; specifying new criteria for payment of additional disability benefits under Tenn. Code Ann. § 50-6-242; and rewriting Tenn. Code Ann. § 50-6-412, concerning penalties for noncompliance with insurance requirements.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (013778): Deletes and rewrites the bill such that the only substantive changes are as follows: the removal of Section 7 of the original bill that proposed rewriting of the authorization to provide additional workers' compensation benefits, and the criteria for receiving additional workers' compensation benefits, both of which shall take effect on July 1, 2014 under current law, for certain injuries occurring on or after July 1, 2014; the addition of a new language that replaces the Commissioner of Labor and Workforce Development with the Administrator of the Division of Workers' Compensation as the individual responsible for the rules and regulations for drug-free workplace programs; and several technical corrections.

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FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Defines “specialty practice group” to mean a group of Tennessee licensed physicians, surgeons, or chiropractors providing medical care services of the same or similar medical specialty as each other and operating out of the same physical location.
- According to DLWD, this bill as amended includes housekeeping language changes to ensure conformity with Public Acts 2013, Public Chapter 289, which made changes to the Workers’ Compensation Law (WCL).
- According to DLWD, the changes to WCL made with this bill as amended will have no effect on staffing or employee workloads.
- DLWD indicates that changes made to the assessment procedure for penalties conforms this procedure to those used by the DWC for other types of penalties.
- According to DLWD, the changes made by the bill as amended are mainly language changes, and those that are substantive changes do not produce any fiscal effect.
- Based on all information submitted by DLWD, including the Division of Workers’ Compensation, the fiscal impact to state and local government is estimated to be not significant.
- Based on information provided by DLWD and the Division of Workers’ Compensation (DWC), making the Administrator of DWC the individual responsible for rules and regulations for drug-free workplace programs, rather than the Commissioner of DLWD, codifies the current practice. As a result, no fiscal impact.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Based on information submitted by DLWD, the Division of Workers’ Compensation, regarding the impact of this legislation on commerce and jobs, any fiscal impact to commerce or the number of Tennessee jobs is considered not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/rnc